

1 KATHRYN E. LANDRETH  
2 United States Attorney  
3 DANIEL G. BOGDEN  
4 Assistant United States Attorney  
5 Organized Crime Drug Enforcement  
Task Force  
100 W. Liberty Street, Suite 600  
Reno, Nevada 89501  
(702) 784-5438

6 Mailing Address:  
P.O. Box 40878  
7 Reno, Nevada 89504

U.S. DISTRICT COURT	
DISTRICT OF NEVADA	
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CR-N-96-80-HDM(PHA)

10 UNITED STATES DISTRICT COURT  
11 DISTRICT OF NEVADA

12 UNITED STATES OF AMERICA, ) Criminal No.  
13 Plaintiff, ) INDICTMENT FOR VIOLATIONS OF:  
14 )  
15 v. ) TITLE 18, UNITED STATES CODE,  
16 ) SECTION 1014 - False Statement  
on Loan and Credit Application  
(Count One)  
17 )  
18 LAWRENCE CHUNG KWONG, ) TITLE 18, UNITED STATES CODE,  
RAYMOND MING CHEUNG, ) SECTION 1343 - Fraud by Wire  
(Count Two and Three)  
19 Defendants. ) TITLE 18, UNITED STATES CODE,  
20 ) SECTION 1341 - Mail Fraud  
(Counts Four)  
21 )  
22 ) TITLE 18, UNITED STATES CODE,  
SECTION 2314 - Interstate  
Transportation of Stolen  
Property (Count Five)  
23 )  
24 ) TITLE 18, UNITED STATES CODE,  
SECTION 2 - Aiding and Abetting  
(Counts One through Five)  
25 )  
26 )

1 THE GRAND JURY CHARGES:

2 INTRODUCTION

3 Scheme and Artifice to Defraud

4 Beginning on a date unknown to the Grand Jury, but not  
5 later than on or about November 1, 1994 and continuing to on or  
6 about January 1, 1996, in the District of Nevada, Central District  
7 of California, District of Idaho, District of Arizona and  
8 elsewhere,

9 LAWRENCE CHUNG KWONG,  
RAYMOND MING CHEUNG,

10 defendants herein and other individuals both known and unknown to  
11 the Grand Jury, did knowingly and willfully devise and intended to  
12 devise a scheme and artifice to defraud and to obtain money and  
13 property by means of false and fraudulent pretenses,  
14 representations and promises from Carson City Toyota-Honda, First  
15 Security Bank of Idaho and Farmers Insurance Group of Companies,  
16 well knowing at the time that the pretenses, representations and  
17 promises would be and were false when made, the scheme and  
18 artifice so devised and intended to be devised being in substance  
19 as follows:

20 (a) It was part of the scheme and artifice to defraud  
21 that sometime on or before November 15, 1994, defendant LAWRENCE  
22 CHUNG KWONG recruited defendant RAYMOND MING CHEUNG, by providing  
23 defendant CHEUNG with \$6,000.00 cash currency and instructing  
24 defendant CHEUNG, to obtain financing to purchase a 1994 Toyota  
25 Camry automobile, VIN # JT20K13E1R0071638 from Carson City Toyota-  
26 Mazda, 3659 South Carson, Carson City, Nevada.

1                         (b) It was further part of the scheme and artifice to  
2 defraud that sometime on or before November 15, 1994, defendant  
3 KWONG instructed defendant CHEUNG, that once the automobile was  
4 purchased, it would be turned over to defendant KWONG who would  
5 then instruct defendant CHEUNG when to report the automobile  
6 stolen.

7                         (c) It was further part of the scheme and artifice to  
8 defraud that in order to get financing and approval on the loan  
9 for the automobile, on or between November 15, 1994 and November  
10 17, 1994, defendant CHEUNG would and did represent to First  
11 Security Bank of Idaho, that he was purchasing a 1994 Toyota Camry  
12 automobile, VIN # JT20K13E1R0071638, as his personal automobile,  
13 well knowing that he was purchasing the vehicle on behalf of  
14 defendant KWONG, allowing the automobile to be shipped out of  
15 state and falsely reporting the automobile stolen to collect  
16 insurance proceeds.

17                         (d) It was further part of the scheme and artifice to  
18 defraud that on or between November 15, 1994 and November 17,  
19 1994, defendant CHEUNG would and did represent to Carson City  
20 Toyota-Mazda and First Security Bank of Idaho, that he was  
21 purchasing a 1994 Toyota Camry automobile, VIN #  
22 JT20K13E1R0071638, as his personal automobile, well knowing that  
23 he was purchasing the automobile on behalf of defendant KWONG,  
24 allowing the automobile to be shipped out of state and falsely  
25 reporting the automobile stolen to collect insurance proceeds.

26                         (e) It was further part of the scheme and artifice to  
defraud that on or between November 15, 1994 and November 17,

1       1994, defendant CHEUNG would and did represent to Farmers  
2       Insurance Group of Companies, that he was the owner of the  
3       1994 Toyota Camry automobile, VIN # JT20K13E1R0071638, well  
4       knowing that he was purchasing the automobile on behalf of  
5       defendant KWONG, allowing the automobile to be shipped out of  
6       state and falsely reporting the automobile stolen to collect  
7       insurance proceeds.

8                 (f) It was further part of the scheme and artifice to  
9       defraud that on or between November 17, 1994 and November 27,  
10      1994, defendant CHEUNG gave a key to the 1994 Toyota Camry  
11      automobile, VIN # JT20K13E1R0071638, to defendant KWONG, so the  
12      automobile could be transported from the State of Nevada to a port  
13      of loading in Los Angeles, California and shipped overseas to Hong  
14      Kong, China.

15                 (g) It was further part of the scheme and artifice to  
16       defraud that on or about January 1, 1995, defendant CHEUNG  
17       reported the 1994 Toyota Camry automobile, VIN #  
18       JT20K13E1R0071638, stolen to the Reno Police Department and filed  
19       a false police report claiming that the vehicle had been stolen,  
20       well knowing that the vehicle had not been stolen and had been  
21       given to defendant KWONG for shipment overseas.

22                 (h) It was further part of the scheme and artifice to  
23       defraud that on January 9, 1995 and January 10, 1995, defendant  
24       CHEUNG reported the 1994 Toyota Camry automobile, VIN #  
25       JT20K13E1R0071638, stolen to Farmers Insurance Group of Companies  
26       and filed a false insurance claim and attempted to collect the  
proceeds of the insurance policy on the vehicle, well knowing that

1 the vehicle had not been stolen but given to defendant KWONG for  
2 shipment overseas.

3 (i) It was further part of the scheme and artifice to  
4 defraud that on January 26, 1995, defendant CHEUNG would provide  
5 Farmers Insurance Group of Companies a proof of loss statement  
6 concerning the alleged theft of a 1994 Toyota Camry automobile,  
7 VIN # JT20K13E1R0071638, to substantiate his false insurance claim  
8 and attempt to collect the proceeds of the insurance policy on the  
9 vehicle, well knowing that the vehicle had not been stolen.

10 (j) It was further part of the scheme and artifice to  
11 defraud that on January 30, 1995, defendant CHEUNG negotiated a  
12 resolution of his insurance claim in the amount of \$23,039.00 with  
13 Farmers Insurance Group of Companies for the alleged theft of a  
14 1994 Toyota Camry automobile, VIN # JT20K13E1R0071638, well  
15 knowing that the vehicle had not been stolen.

16 (k) It was further part of the scheme and artifice to  
17 defraud that on February 6, 1995, defendant CHEUNG received  
18 \$23,039.00 from Farmers Insurance Group of Companies for the  
19 alleged theft of a 1994 Toyota Camry automobile, VIN #  
20 JT20K13E1R0071638, well knowing that the vehicle had not been  
21 stolen.

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1  
2                   COUNT ONE

3                   TITLE 18, UNITED STATES CODE, SECTION 1014  
4                   (False Statement on Loan and Credit Application)

5                   On or between November 15, 1994 and November 17, 1994,  
6                   in the District of Nevada, District of Idaho and elsewhere,

7                   LAWRENCE CHUNG KWONG,  
8                   RAYMOND MING CHEUNG,

9                   defendants herein and other individuals both known and unknown to  
10                  the Grand Jury, knowingly made a material false statement for the  
11                  purpose of influencing the action of First Security Bank of Idaho,  
12                  a federally insured banking institution, in connection with an  
13                  application for financing and an automobile loan, in that the  
14                  defendant CHEUNG did represent to First Security Bank of Idaho,  
15                  that he was purchasing a 1994 Toyota Camry automobile, VIN #  
16                  JT20K13E1R0071638, as his personal automobile, when in truth and  
17                  in fact, as the defendant well knew, he was purchasing the vehicle  
18                  on behalf of defendant KWONG for the purpose of having the  
19                  automobile shipped overseas and to subsequently report it stolen.  
20                  Said scheme and artifice to defraud is more particularly described  
21                  in paragraphs 1(a) through (k) of the Introduction and allegations  
22                  contained therein are incorporated by reference as if set out in  
23                  full;

24                  All in violation of Title 18, United States Code,  
25                  Sections 1014 and 2.

1  
2                   COUNT TWO  
3                   TITLE 18, UNITED STATES CODE, SECTION 1343  
4                   (Fraud by Wire)

5                   On or between November 15, 1994 and November 17, 1994,  
6                   in the District of Nevada, District of Idaho and elsewhere,

7                   LAWRENCE CHUNG KWONG,  
8                   RAYMOND MING CHEUNG,

9                   defendants herein and other individuals both known and unknown to  
10                  the Grand Jury, devised and intended to devise a scheme and  
11                  artifice to defraud and obtain money and property by false  
12                  pretenses, for the purpose of executing and in order to effect the  
13                  scheme and artifice to defraud and obtain money and property, did  
14                  cause to be transmitted in interstate commerce by means of a wire  
15                  communication certain signs, signals, and sounds, namely a  
16                  facsimile concerning the approval of a bank loan on a 1994 Toyota  
17                  Camry automobile, VIN # JT20K13E1R0071638, from First Security  
18                  Bank of Idaho, P.O. Box 7069, Boise, Idaho 83730 to Carson City  
19                  Toyota-Mazda, 3659 South Carson, Carson City, Nevada. Said scheme  
20                  and artifice to defraud is more particularly described in  
21                  paragraphs 1(a) through (k) of the Introduction and allegations  
22                  contained therein are incorporated by reference as if set out in  
23                  full;

24                  All in violation of Title 18, United States Code,  
25                  Sections 1343 and 2.

1                           COUNT THREE

2                           TITLE 18, UNITED STATES CODE, SECTION 1343  
3                           (Fraud by Wire)

4                           On or about January 24, 1995, in the District of Nevada,  
5                           District of Arizona and elsewhere,

6                           LAWRENCE CHUNG KWONG,  
7                           RAYMOND MING CHEUNG,

8                           defendant herein and other individuals both known and unknown to  
9                           the Grand Jury, devised and intended to devise a scheme and  
10                          artifice to defraud and obtain money and property by false  
11                          pretenses, for the purpose of executing and in order to effect the  
12                          scheme and artifice to defraud and obtain money and property, did  
13                          cause to be transmitted in interstate commerce by means of a wire  
14                          communication certain signs, signals, and sounds, namely a  
15                          facsimile concerning authority to pay \$23,039.00 on an insurance  
16                          claim concerning a a 1994 Toyota Camry automobile, VIN #  
17                          JT20K13E1R0071638, from Farmers Insurance Group of Companies,  
18                          Phoenix, Arizona to the Reno Branch Claims Office, 480 E. Moana  
19                          Lane, Reno, Nevada. Said scheme and artifice to defraud is more  
20                          particularly described in paragraphs 1(a) through (k) of the  
21                          Introduction and allegations contained therein are incorporated by  
22                          reference as if set out in full;

23                          All in violation of Title 18, United States Code,  
24                          Sections 1343 and 2.

**COUNT FOUR**

**TITLE 18, UNITED STATES CODE, SECTION 1341  
(Mail Fraud)**

On or about January 26, 1995, in the District of Nevada  
and elsewhere,

LAWRENCE CHUNG KWONG,  
RAYMOND MING CHEUNG,

defendants herein and other individuals both known and unknown to the Grand Jury, devised and intended to devise a scheme and artifice to defraud and obtain money and property by false pretenses, for the purpose of executing and in order to effect the scheme and artifice to defraud and obtain money and property, did knowingly cause to be sent, delivered, mailed and moved by the United States Postal Service and private and commercial carriers and to be delivered according to the directions thereon, a letter addressed to Farmers Insurance Group of Companies, Branch Claims Office, P.O. Box 12067, Reno, Nevada 89520-2067, which contained a Proof of Loss affidavit concerning the theft of a 1994 Toyota Camry automobile, VIN # JT20K13E1R0071638. Said scheme and artifice to defraud is more particularly described in paragraphs 1(a) through (k) of the Introduction and allegations contained therein are incorporated by reference as if set out in full;

All in violation of Title 18, United States Code,  
Sections 1341 and 2.

1  
2                   **COUNT FIVE**

3                   TITLE 18, UNITED STATES CODE, SECTION 2314  
4                   (Interstate Transportation of Stolen Property)

5                   On or between November 17, 1994 and November 27, 1994,  
6                   in the District of Nevada, the Central District of California, and  
elsewhere,

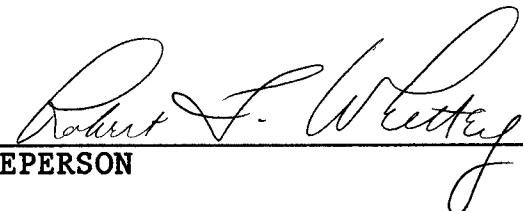
7                   LAWRENCE CHUNG KWONG,  
8                   RAYMOND MING CHEUNG,

9                   defendants herein and other individuals both known and unknown to  
10                  the Grand Jury, did unlawfully transport and cause to be  
11                  transported in interstate commerce from the State of Nevada, to  
12                  Los Angeles, California, property taken by fraud, to wit, a 1994  
13                  Toyota Camry automobile, VIN # JT20K13E1R0071638, of a value of  
14                  \$5,000.00 or more, knowing the same to have been taken by fraud;

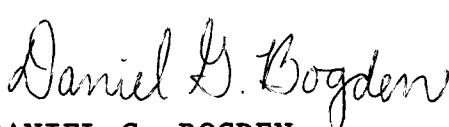
15                  All in violation of Title 18, United States Code,  
16                  Sections 2314 and 2.

17                  Dated this 12<sup>th</sup> day of November, 1996.

18                  A TRUE BILL:

19                    
20                  \_\_\_\_\_  
21                  FOREPERSON

22                  KATHRYN E. LANDRETH  
23                  United States Attorney

24                    
25                  DANIEL G. BOGDEN  
26                  Assistant United States Attorney  
                    Organized Crime Drug Enforcement  
                    Task Force